

Success Means Going Out of Business, Houley Says

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WASHINGTON — Shrinking defense dollars. Aging warfighting equipment. Increasing maintenance costs. Miles of bureaucratic paperwork. These and a host of other problems are the propellers driving Defense Reform Initiative efforts, said William P. "Bill" Houley.

He has been on the job since mid-May as director of the newly created Defense Reform Initiative Office. Houley, who reports to Secretary of Defense William Cohen through Deputy Secretary John Hamre, has inherited something he says is simple to describe, but not simple to do.

Hamre has been DoD's point man on the reform initiative since its start in November 1997 and has regularly emphasized the initiative's four pillars:

- **Re-engineer by adopting the best private-sector business practices in defense support activities.**
- **Consolidate and streamline organizations to remove redundancy and move program management out of corporate headquarters and back to the field.**
- **Compete many more functions now being performed in-house, which will improve quality, cut costs, and make the Department more responsive.**
- **Eliminate excess infrastructure.**

Based on the initiative's pillars, Hamre has issued 44 directives. Now DoD will have a full-time director in Houley to devote to the reform initiative.

For starters, the retired Navy rear admiral sees two major objectives. "One," he said, "is to try to bring much better business practices into the Department of Defense."

About two decades ago, U.S. industry was concerned about being left behind in the international

marketplace. U.S. industry reinvented itself and regained global leadership. But, Houley said, DoD didn't keep pace — for many reasons, including that its principal mission is readiness, not business.

Houley said the new Joint Electronic Commerce Program Office exemplifies the business practice used by private industry's best in doing business in real time without the complicated layers and separate offices so common in government business processes. In early June, Cohen said the DRI office is where miles of paperwork are going to stop. The secretary noted electronic commerce is a step in DoD's efforts to do business better, faster, and cheaper.

"We'd like to expand similar initiatives to allow us to do more things from our desks and fewer things by running pieces of paper around the world," Houley said.

"Most defense organizations — whether [we're talking about] tests, education, procurement, writing of contracts, using a credit card to buy things from your desk — are related in the sense we want to do [those things] electronically — in real time and in far fewer steps," Houley said.

"It's actually one of a series of steps," he said. "In order to be consistent with the rest of the world, we need to have good information and be able to use it in a real-time basis. A lot of systems we have now are days and even weeks behind in terms of being able to use the information."

"We have a lot of processes where we march contracts from Office A to Office B, fill out a procurement request, then we go through a long process that nobody wants to hear about," he said. "We should be able to do it from a keyboard, with a lot fewer steps and in a lot less time."

Houley finds general agreement and lack of controversy on the first objective of engaging better business practices. Getting it done is the difficult part.

This leads him to the second objective: finding the money to meet warfighters' needs. Defense dollars are not expected to increase much in coming years, Houley noted. Therefore, he said, "we're going to have to figure out a way of transferring some of the money presently devoted to support activities to the warfighter — and specifically to pay for force modernization."

He said DoD's ability to buy new equipment for the Services has lagged badly behind requirements. "The age of the equipment we're using across the board is increasing, and that means the cost of maintaining those systems is increased at the rate we can least afford it," he said.

Innovative juggling to shift money from support to warfighting organizations "is something that's very easy to understand and perhaps a bit more difficult to accomplish," Houley said. And he's following Hamre's lead in seeing that the Defense Reform Initiative ensures DoD support elements are agile and responsive to warfighters, who are rapidly applying new technologies to change the way they fight.

To warfighters and the servicemembers who support them, Houley answers the question, "What does this mean to me?"

"We hope it's going to mean two things. First, the care and feeding of our people has always been our principal goal, because if we don't have people, we don't need to worry about equipment.

"The second thing is, one of the many reasons kids come into the Services is they expect to deal with the best technology we have in this country," Houley said. "We do certainly have some of that, but not in the quantities we feel we need." He believes servicemembers want to be in a force that's equipped up to par with the United States' world power role.

He said he welcomes ideas from anybody. "Ideas are part of what makes the organization work. A

substantial percentage of ideas, which scratch the itch, are in direct response to what our constituents identify," Houley said. "In the electronic commerce arena, we're trying to simplify and expedite the job."

He wants the Defense Reform Initiative to be invisible to the forces. "Our goal is to have all of these initiatives disappear back into the landscape," Houley said. "In other words, become part of the routine way of doing business. So success is going out of business.

"In a perfect world, when Secretary Cohen finishes his job, we'll be able to fold this whole thing up," Houley said, "not because we will ever get to the point where no further improvements can be made, but because we will feel we have made substantive improvements, that they have become part of the standard way of doing business in the Defense Department, and that we have made good on our commitment to modernize the force in a difficult budget climate."

For more information on the Defense Reform Initiative, point your Internet browser to: <http://www.defenselink.mil/dodreform/index.html>.

Editor's Note: This information is in the public domain at <http://www.dtic.mil/afps/news> on the Internet.



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